

## Message Text

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ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EA-11 EUR-25 NEA-14 RSC-01 IO-14

ISO-00 SP-03 AID-20 NSC-07 CIEP-02 SS-20 STR-08

OMB-01 CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 AGR-20 TAR-02 SWF-02 L-03

H-03 SSO-00 NSCE-00 USIE-00 DODE-00 PA-04 PRS-01

INRE-00 DRC-01 OIC-04 /244 W  
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O R 240354Z JUN 74

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC IMMEDIATE 2377

DEPT OF TREASURY IMMEDIATE

INFO USMISSION USUN NEW YORK

USMISSION GENEVA

C O N F I D E N T I A L MEXICO 5298

E.O. 11652: GDS

TAGS: EGEN, UNCTAD

SUBJECT: UNCTAD CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES:

ASSESSMENT OF CURRENT STATUS

1. IN SEPARATE CABLES WE GAVE AN ASSESSMENT OF WHERE THINGS  
NOW STAND IN MEXICO ON UNCTAD CHARTER AND ON OVERALL STATUS  
REPORT ON AGREED AND DISAGREED PARAGRAPHS. THIS TELEGRAM  
CONTAINS OPTIONS ON TACTICS AND OUR RECOMMENDATIONS.

2. WE ARE OPERATING ON TWO BASIC ASSUMPTIONS:

A. THE G-77 WILL BE UNWILLING TO MAKE IMPORTANT CONCESSIONS  
AT THIS MEETING EXCEPT, PERHAPS, IN RESPONSE TO POWERFUL  
MEXICAN PRESSURE;

B. THE MEXICANS STILL WANT AN AGREEMENT HERE AND WILL ONLY  
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PRESSURE THE G-77 IF CONVINCED THAT THE U.S., WITH GROUP B

SUPPORT, IS WILLING TO ALLOW A DISAGREED TEXT COME OUT OF THIS MEETING WHICH IT WILL ALSO OPPOSE IN THE UNGA.

3. IN THE LIGHT OF THESE TACTICAL ASSUMPTIONS, WE HAVE THREE BASIC OPTIONS:

A. SEEK COMPROMISES ON STILL DISPUTED TEXTS AND GIVE WAY ON THE GOVERNING LAW CLAUSE IN THE FORM OF "APPLICABLE LAW/ OR QUOTE LAW UNQUOTE. THIS WILL ASSURE AGREEMENT AT THIS MEETING BUT RESULT IN OUR GIVING UP ON VITAL ISSUES OF SUBSTANCE, TO THE MATERIAL PREJUDICE OF U.S. INTERESTS WHICH EXCEED IN IMPORTANCE HAVING AN AGREED CHARTER. (OF COURSE, IF WE ARE TO BEHAVE AT NEXT UNGA AS AT 6TH SPECIAL SESSION, IT WOULD MAKE SENSE TO CAPITULATE NOW AND MAKE MEXICANS HAPPY, RATHER THAN LATER WITH FURTHER DAMAGE TO OUR CREDIBILITY.)

B. TO CONTINUE COOPERATIVE POSTURE IN NEGOTIATING NATIONALIZATION PARAGRAPHS AND OTHER ISSUES ON OUR CURRENT APPROACH, BUT AVOIDING AGREEMENT WHEREVER FEASIBLE ON DISAGREED ARTICLES PENDING AGREEMENT ON NATIONALIZATION. E.G., INSTEAD OF ACCEPTING UNDESIRABLE BUT MINIMALLY ACCEPTABLE TEXTS SUCH AS THOSE IN PARAGRAPH 17, PARAGRAPH 6 BIS, 13 AND 15 WE WOULD GIVE THE IMPRESSION THAT WE WERE WILLING TO HAVE SUCH CLAUSES GO FORWARD TO UNGA DISAGREED AS WELL AS THOSE ON NATIONALIZATION. ADVANTAGE WOULD BE THAT (A) WE WOULD HAVE AN IMPRESSIVE PACKAGE OF COMPROMISE PROPOSALS FOR CARLYLE MAW TO OFFER MEXICO ON WEDNESDAY OR THURSDAY FOR MEXICANS TO SELL TO G-77 AND (B) IN THE EVENT THAT COMPROMISE DOES NOT WORK PRESSURE ON JUST NATIONALIZATION ISSUES WOULD BE SPREAD OUT, AND (C) WE WOULD NOT HAVE MADE CONCESSIONS IN ORDER TO HAVE A CHARTER WHICH WE OPPOSE AS A WHOLE ANYWAY. DISADVANTAGE IS THAT SUCH APPROACH COULD GIVE SUBSTANCE TO FALSE CHARGES GOM AND OTHER SPREADING TO EFFECT THAT OBDURATE POSITIONS OF GROUP B, ESPECIALLY USG, ARE BLOCKING AGREEMENT.

C. TO MAINTAIN OUR POSTURE OF MAKING MAXIMUM EFFORT TO REACH AGREEMENT ON ALL FRONTS. ON MAW'S ARRIVAL, AS IN OPTION (B), WE WOULD CONTEMPLATE HIS MEETING WITH AT LEAST CONFIDENTIAL

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CASTANEDA, MORE PROBABLY WITH RABASA AND PERHAPS ECHEVERRIA, TO PRESENT USG PACKAGE OF COMPROMISES ON ALL REMAINING PARAS WHICH ARE DISAGREED.

4. WE DO NOT, OF COURSE, RECOMMEND OPTION (A). THE DIFFERENCE BETWEEN OPTIONS B AND C IS SUBTLE BUT SIGNIFICANT. OPTION (C) MAINTAINS A CLEARLY COOPERATIVE APPROACH BUT MINIMIZES ANY PRESSURE WE MAY BE ABLE TO MUSTER ON MEXICANS

TO PUSH G-77 TO REASONABLE COMPROMISES. THE MAJOR DIS-  
ADVANTAGE OF OPTION B, WHICH MAXIMIZES THESE PRESSURES,  
IS THAT WE COULD BE MORE JUSTLY PORTRAYED AS UNCOOPERATIVE  
BY G-77 AND MEXICANS. MOREOVER IT WOULD BE ESSENTIAL TO  
HAVE GROUP B SUPPORT TO CARRY OUT OPTION (B) SUCCESSFULLY.

5. USDEL DISPOSED TO FAVOR OPTION (B) AND IT IS QUITE  
POSSIBLE THAT THROUGH NO DOING OF OUR OWN NUMEROUS ARTICLES  
WILL REMAIN UNAGREED (SEE SEPTTEL REPORTING ON PARAS 4,  
6 BIS, 13 AND 15). HOWEVER, IN VIEW OF RISKS OF OPTION  
B WE WILL CONTINUE TO FOLLOW MAXIMUM AGREEMENT POSITION  
OF OPTION (C) UNLESS OTHERWISE INSTRUCTED. JOVA

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